



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

August 5, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **UNITED AMERICAN INDIAN INVOLVEMENT, INC. – A DEPARTMENT
OF MENTAL HEALTH AND DEPARTMENT OF CHILDREN AND
FAMILY SERVICES PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a contract compliance review of United American Indian Involvement, Inc. (UAI or Agency), which included a sample of transactions from Fiscal Years (FY) 2011-12 and 2012-13. The Department of Mental Health (DMH) contracts with UAI to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans. The Department of Children and Family Services (DCFS) also contracts with UAI to provide Family Preservation (FP) Program services. The FP Program provides services to children and their families, including prevention, intervention, transitional, and maintenance services.

The purpose of our review was to determine whether UAI provided services in accordance with their County contracts. We also evaluated the adequacy of the Agency's financial records, internal controls, and compliance with the contract and applicable guidelines.

For FY 2012-13, the Agency's maximum contract amounts for the DMH and FP Programs were for approximately \$2.9 million and \$400,000, respectively. For FY 2011-12, DMH and DCFS paid the Agency approximately \$1.4 million and \$285,000, respectively. The Agency provides services in the Second Supervisorial District.

Results of Review

Program Review on Contracts with DMH

UAll's staff had the required qualifications to provide DMH Program services. However, UAll did not maintain documentation to support \$2,954 in billings, and needs to improve the quality of documentation in their Assessments, Client Care Plans, and Progress Notes. Specifically, UAll:

- Did not maintain sufficient documentation to support eight (27%) of the 30 billings reviewed, totaling \$2,954.
- Did not describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder to support the diagnosis in five (25%) of the 20 Assessments reviewed.
- Did not develop specific or measureable objectives in the Client Care Plans for 16 (64%) of the 20 Client Care Plans reviewed.
- Did not develop objectives that related to clients' needs identified in their Assessments for 17 (85%) of the 20 Client Care Plans reviewed.

UAll's attached response indicates that UAll will repay the \$2,954, revise their policies and procedures, and provide documentation training to their treatment staff to ensure that they comply with the DMH contract requirements.

Fiscal Review on Contracts with DMH and DCFS

UAll maintained adequate documentation to support their expenditures charged to DCFS' FP Program, and maintained adequate controls over their cash and fixed assets. However, UAll charged DMH \$7,137 in questioned costs, and did not always comply with the County contract requirements. Specifically:

- UAll's Cost Allocation Plan was not in compliance with the County contract, and UAll allocated \$5,000 in computer services to the DMH Program in FY 2012-13 using an unallowable allocation methodology.

After our review, UAll removed the \$5,000 expenditure from the DMH Program.

- UAll charged the DMH Program \$2,137 in FY 2011-12, without adequate documentation to support the hours and rates billed by their independent contractor.

UAll's attached response indicates that UAll will reduce their FY 2011-12 DMH Cost Report by \$2,137.

- UAll did not inform DCFS of one employee's misdemeanor prior to the employee working on the FP Program, as required by the County contract.

After our review, UAll notified DCFS of the employee's misdemeanor. In addition, UAll's attached response indicates that they will reinforce their Human Resources policies and procedures to ensure that all applicants considered for employment by UAll are cleared should a criminal record exist on the applicant.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with UAll, DMH, and DCFS. UAll's attached response indicates that they agreed with our findings, will repay DMH \$2,954, and reduce their FY 2011-12 DMH Cost Report by \$2,137.

We thank UAll management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB:sk

Attachment

c: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Philip L. Browning, Director, Department of Children and Family Services
Terry McAuliffe, Board Chair, UAll
David Rambeau, Executive Director, UAll
Public Information Office
Audit Committee

**UNITED AMERICAN INDIAN INVOLVEMENT, INC.
DEPARTMENT OF MENTAL HEALTH AND FAMILY PRESERVATION PROGRAMS
CONTRACT COMPLIANCE REVIEW
FISCAL YEARS 2011-12 AND 2012-13**

BILLED SERVICES

Objective

Determine whether United American Indian Involvement, Inc. (UAI or Agency) provided the services billed to the Department of Mental Health (DMH) in accordance with their contract.

Verification

We selected 30 (3%) of the 890 approved Medi-Cal billings during December 2011 and January 2012, which were the most current billings available at the time of our review (December 2012). We reviewed the Assessments, Client Care Plans, and Progress Notes in the clients' charts for the selected billings. The 30 billings represent services provided to 20 clients.

Results

UAI billed DMH for eight questionable billings totaling \$2,954. Specifically, the Agency billed for:

- Six Progress Notes, totaling \$2,412, for Mental Health Services, in which the Progress Notes did not describe what the clients or service staff attempted and/or accomplished towards the Client Care Plan objectives. This finding was also noted during our prior monitoring report.
- Two Progress Notes, totaling \$542, for the Targeted Case Management, did not address the mental health needs of the client.

In addition, the Agency needs to improve the quality of documentation in their Assessments and Client Care Plans in accordance with the DMH contract requirements.

Assessments

UAI did not adequately describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the diagnosis in five (25%) of the 20 Assessments reviewed. The DSM is a handbook published by the American Psychiatric Association for mental health professionals, which lists different categories of mental disorder and the criteria for diagnosing them. The DMH contract requires the Agency to follow the DSM when diagnosing clients. This finding was also noted during our prior monitoring report.

Client Care Plans

UAI did not complete some elements of 17 (15%) of the 20 Client Care Plans in accordance with their DMH contract. Specifically:

- Sixteen Client Care Plans did not contain specific or measurable objectives.
- Seventeen Client Care Plans did not contain objectives that related to the clients' needs identified in their Assessments.

These findings were also noted during our prior monitoring report. The number of incomplete Client Care Plans in the examples above exceeds the overall number of Client Care Plans reviewed because some Client Care Plans contained more than one deficiency.

Recommendations**UAI management:**

1. **Repay DMH \$2,954.**
2. **Ensure that Assessments, Client Care Plans, and Progress Notes are completed in accordance with their DMH contract.**

STAFFING QUALIFICATIONS**Objective**

Determine whether UAI treatment staff had the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 14 (37%) of 38 UAI treatment staff, who provided services to DMH clients during December 2011 and January 2012.

Results

UAI staff had the qualifications required to provide the billed services.

Recommendation

None.

CASH/REVENUE**Objective**

Determine whether UAI recorded revenue in the Agency's financial records properly, deposited cash receipts in their bank accounts timely, and that bank account reconciliations were appropriately prepared and approved by Agency management.

Verification

We interviewed UAI's management, and reviewed the Agency's financial records and UAI's October 2011 bank reconciliations for three bank accounts.

Results

UAI recorded revenue in its financial records properly, deposited cash receipts timely, and prepared and approved bank reconciliations appropriately.

Recommendation

None.

COST ALLOCATION PLAN**Objective**

Determine whether UAI prepared its Cost Allocation Plan (Plan) in compliance with the County contracts, and used the Plan to allocate shared costs appropriately.

Verification

We reviewed the Agency's Plan, and reviewed 35 shared expenditures from January 2011 through October 2012, totaling \$89,610 to ensure that the expenditures were appropriately allocated to the DMH and Family Preservation (FP) Programs.

Results

UAI's Plan was not prepared in compliance with their DMH contracts. Specifically, the Agency did not specify on their Plan how all their shared costs were to be allocated. As a result, UAI used an unallowable allocation methodology to allocate \$5,000 in computer services to the DMH Program in Fiscal Year (FY) 2012-13. After our review, UAI removed the \$5,000 from the DMH Program.

Recommendation

3. UAI management ensure that their allocation methodologies for shared costs are allowable and documented in their Cost Allocation Plan.

EXPENDITURES**Objective**

Determine whether expenditures charged to the DMH and FP Programs were allowable under the County contracts, properly documented, and accurately billed.

Verification

We interviewed UAI's personnel, and reviewed financial records for 35 expenditure transactions, totaling \$50,991 charged to the DMH and FP Programs from January 2011 through October 2012.

Results

UAI maintained adequate documentation to support their expenditures charged to the Department of Children and Family Services' (DCFS) FP Program. However, UAI charged the DMH Program \$2,137 in FY 2011-12, without adequate documentation to support the hours billed by their independent contractor. Specifically, the contractor did not provide documentation to support their invoices, including the actual hours worked by their staff and billing rates.

Recommendation

4. UAI management provide documentation to support the \$2,137 or reduce the FY 2011-12 DMH Cost Report by \$2,137 and repay DMH for any excess amount received.

FIXED ASSETS AND EQUIPMENT**Objective**

Determine whether UAI's fixed assets and equipment purchased with County funds were used for the appropriate Programs and adequately safeguarded.

Verification

We interviewed Agency personnel and reviewed the Agency's fixed assets inventory listing. We also performed a physical inventory of six items purchased with DMH funds.

Results

UAII adequately safeguarded and used the six items purchased with the DMH funds for the Program.

Recommendation

None.

PAYROLL AND PERSONNEL**Objective**

Determine whether UAII appropriately charged payroll costs to the DMH and FP Programs, and maintained personnel files as required.

Verification

We compared the payroll costs for ten employees, totaling \$36,885, for October 2012 to the Agency's payroll records and time reports. We also interviewed staff and reviewed personnel files.

Results

UAII appropriately charged payroll costs to the DMH and FP Programs. However, the Agency did not inform DCFS of one employee's misdemeanor prior to the employee working on the FP Program, as required by the County contract.

Recommendation

5. UAII management ensure that FP is adequately informed of any misdemeanor prior to employment.

COST REPORT**Objective**

Determine whether UAII's FY 2010-11 DMH Cost Report reconciled to their financial records.

Verification

We compared the Agency's FY 2010-11 DMH Cost Report to their financial records.

Results

UAII's Cost Report reconciled to their financial records.

Recommendation

None.

PRIOR YEAR FOLLOW-UP

Objective

Determine the status of the recommendations reported in the prior Auditor-Controller monitoring review.

Verification

We verified whether UAII implemented the one recommendation from our July 13, 2010 monitoring review covering FY 2008-09.

Results

UAII had not implemented the one recommendation from the prior monitoring report. As previously indicated, the outstanding finding was the same as Recommendation 2 in this report.

Recommendation

Refer to Recommendation 2.



United American Indian Involvement, Inc.

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**Robert Sundance Family
Wellness Center**
1125 West 6th Street, Suite 103
Los Angeles, CA 90017
Tel: (213) 202-3970
Fax: (213) 975-9255
• Inpatient/Outpatient
Alcohol/Drug/Mental Health
Employment Counseling
• Nutrition
• Senior Services
• Sober Living
• Positive Parenting
• Workforce Development
Program

**Los Angeles American Indian
Health Project**
Tel: (213) 202-3970
Fax: (213) 202-3977
• Health Screening/Case
Management
• Diabetes Program
• Immunization (Child/Adult)
• Health/Nutrition/Education

**Los Angeles American Indian
Clubhouse**
Tel: (213) 202-3976
Fax: (213) 202-3977
• Academic tutoring
• Recreational/Social Activities
• Computer Software Classes
• Counseling

**Seven Generations Child and
Family Counseling Services/
System of Care**
Tel: (213) 241-0979
Fax: (213) 241-0925
seven_generations@hotmail.com
• System of Care
• Child & Family Counseling
Crisis Interventions/Case
Management/Parenting
Training
• Domestic Violence
& Sexual Assault Counseling
• Child Abuse Treatment
Program
• Family Preservation
• Family Support

**Fresno American Indian
Health Project**
1535 E. Shaw Ave., Suite 105
Fresno, CA 93710
Tel: (559) 320-0490
Fax: (559) 320-0494
• Medical & Dental referral
• Youth Activities

**Bakersfield American Indian
Health Project**
1617 30th Street
Bakersfield, CA 93301
Tel: (661) 327-4030
Fax: (661) 327-0145
• Medical & Dental referral
• Youth Activities

www.uaii.org

June 5, 2013

Wendy L. Watanabe, Auditor Controller
County of Los Angeles
Department of Auditor-Controller
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 525
Los Angeles, California 90012-3873

Re: United American Indian Involvement, Inc. – Corrective Action Plan
Contract Compliance Review – Fiscal Years 2011-12 and 2012-2013

Dear Ms. Watanabe,

In response to your letter dated May 31, 2013, relating to the contract compliance review of our agency for fiscal years 2011-12 and 2012-13, attached is our corrective action plan to the recommendations identified by your review team.

Kindly review and let me know if you have any questions.

Sincerely,

David L. Rambeau
Executive Director

cc: Jerimy Billy, Associate Executive Director
Adam M. Valdez, CFO
Dr. Carrie Johnson, Program Director
Bonnie Marquez, Human Resources Director

Department of Audit Controller Contract Compliance Review

United American Indian Involvement Corrective Action Plan

Contract Compliance Review
Fiscal Years 2011-12 and 2012-13

Recommendation 1

Repay DMH \$2,954

Corrective Action Plan:

UAI will repay DMH \$2,954.

Recommendation 2

UAI management will ensure that Assessments, Client Care Plans, and Progress Notes are completed in accordance with the County Contract.

Corrective Action Plan:

1. UAI Supervisors currently attend Spa 4 Quality Improvement Committee meetings regularly. Dr. Lingenfelter is the Quality Assurance contact and helps to support agency's on-going improvement in documentation and will continue to facilitate and work with staff in order to improve documentation compliance with contract requirements. Announcements and reminders about specific documentation requirements are a part of our weekly staff meetings. Trainings are conducted (at a minimum) on a quarterly basis to provide supervised practice in writing assessments, CCCP's and progress notes.
2. All Supervisors, staff therapists, and case managers have been informed of the Audit Controller findings in December of 2012 and were reviewed again in January of 2013. Since the Compliance Review, three trainings have been provided to all staff on how the documentation needs to change in order to more carefully comply with contract requirements. The 8 progress notes included in the clinical findings were reviewed, the reasons explained, and the staff trained in how to correct future notes to improve on the quality of the documentation. In all three training sessions, staff was given several opportunities to practice writing notes integrating Audit Controller feedback, and in developing specific and measureable treatment goals. We will continue with these trainings throughout the year during our weekly training sessions.
3. Policy changes have been implemented which include a content checklist for all Intake Assessment, CCCP's, and Annual Assessments which must be completed by staff, and reviewed by their supervisor. This process will ensure more consistency in clearly describing the client's

symptoms and behaviors that support the diagnosis and impairments in the documentation. In addition, it will support effective documentation of treatment goals that describe how the goals will address the diagnosis, identified needs, and/or resolve impairments. These reviews will also ensure consistency with the current DSM-IV and upcoming DSM-V criteria.

4. Current agency Quality Assurance procedures include the following:
 - a) Each staff therapist conducts a self-audit of one of their client charts on a monthly basis
 - b) Supervisors and Program Coordinators then conduct a monthly Peer Review of those Self-Audited charts – feedback is then given to the staff in supervision.
 - c) Therapists will complete a Progress Note Content Checklist on all progress notes written within a five day period each quarter. This Progress Note Checklist will allow staff to self-monitor the content and quality of their progress notes written in that five day period.
5. UAII will receive training from County Wide Contract Monitoring Division specifically tailored to the Audit findings.
6. UAII received approval for the Technological Needs Funding Agreement to begin to migrate our documentation to electronic health records. Electronic records will make it easier to ensure the quality of documentation is in accordance with our DMH contract as the progress note, CCCP, and Intake Assessment review is automatically built into process, and is much easier to monitor.

Recommendation 3

UAII management ensure that their allocation methodologies for shared costs are allowable and documented in their Cost Allocation Plan.

Corrective Action Plan:

UAII has self corrected the \$5,000 finding upon completion of the audit field work. UAII has implemented processes to closely monitor its cost allocation plan including the methods and procedures employed to allocate costs to various programs, grants, contracts, and agreements. All shared costs are prorated individually using a base most appropriate to the particular cost being prorated. Considerations in determining an appropriate base include the relative benefits, the materiality of the cost, and the amount of time and costs to perform the allocation.

Recommendation 4

UAII management provide document to support the \$2,137 or reduce the FY 2011-12 DMH Cost Report by \$2,137 and repay DMH for any excess amount received.

Corrective Action Plan:

UAII is now closely monitoring the subcontractor who did not adequately support their charges on the contract. Several telephone conferences have occurred with the subcontractor to ensure that all subsequent billings comply with the support documentation requirements imposed on UAII as the Prime Contractor. UAII will reimburse DMH the \$2,137 and adjust the cost reports accordingly.

Recommendation 5

UAII management ensure that FP is adequately informed on any misdemeanor prior to employment

Corrective Action Plan:

UAII will follow its normal hiring practices as delineated in its HR policies and procedures. Human Resources will immediately notify Program Directors of any potential employment applicant being reported by LiveScan with a criminal record in either the Department of Justice or FBI databases. Program Directors are instructed to contact the affected Program via email of a potential applicant's situation. UAII will work closely with the County program to ensure that all applicants being considered for employment by UAII have been cleared and accepted by DMH should a criminal record exist on the applicant. UAII will not offer employment to these applicants unless specific approval is first ascertained by the appropriate official from DMH.

Prior Year Follow Up

Recommendation

Refer to Recommendation 2.

UAII management will ensure that Assessments, Client Care Plans, and Progress Notes are completed in accordance with the County Contract.

Corrective Action Plan:

1. UAII Supervisors currently attend Spa 4 Quality Improvement Committee meetings regularly. Dr. Lingenfelter is the Quality Assurance contact and helps to support agency's on-going improvement in documentation and will continue to facilitate and work with staff in order to

improve documentation compliance with contract requirements. Announcements and reminders about specific documentation requirements are a part of our weekly staff meetings. Trainings are conducted (at a minimum) on a quarterly basis to provide supervised practice in writing assessments, CCCP's and progress notes.

2. All Supervisors, staff therapists, and case managers have been informed of the Audit Controller findings in December of 2012 and were reviewed again in January of 2013. Since the Compliance Review, three trainings have been provided to all staff on how the documentation needs to change in order to more carefully comply with contract requirements. The 8 progress notes included in the clinical findings were reviewed, the reasons explained, and the staff trained in how to correct future notes to improve on the quality of the documentation. In all three training sessions, staff was given several opportunities to practice writing notes integrating Audit Controller feedback, and in developing specific and measureable treatment goals. We will continue with these trainings throughout the year during our weekly training sessions.

3. Policy changes have been implemented which include a content checklist for all Intake Assessment, CCCP's, and Annual Assessments which must be completed by staff, and reviewed by their supervisor. This process will ensure more consistency in clearly describing the client's symptoms and behaviors that support the diagnosis and impairments in the documentation. In addition, it will support effective documentation of treatment goals that describe how the goals will address the diagnosis, identified needs, and/or resolve impairments. These reviews will also ensure consistency with the current DSM-IV and upcoming DSM-V criteria.

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- a) Each staff therapist conducts a self-audit of one of their client charts on a monthly basis
- b) Supervisors and Program Coordinators then conduct a monthly Peer Review of those Self-Audited charts – feedback is then given to the staff in supervision.
- c) Therapists will complete a Progress Note Content Checklist on all progress notes written within a five day period each quarter. This Progress Note Checklist will allow staff to self-monitor the content and quality of their progress notes written in that five day period.

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